University Certification Instructions – Short Session FY 22-23

These University Certification Instructions are for the UNC System Office and Universities, excluding the North Carolina School of Science and Math, which should follow the Agency Certification Instructions. To certify capital projects included in the State Capital and Infrastructure Fund (SCIF), see the Capital Instructions Job Aid.

After the budget becomes law, universities work with their OSBM Budget Development Analyst (analyst) to certify the official budget. Budget certification is done in the Integrated Budget Information System (IBIS). Universities must submit **certification entries**, which reflect adjustments (+/-) that appropriation bills have made to the existing approved budget. OSBM analysts review entries to ensure they reflect the Appropriations Act and associated laws. When all entries have been approved, OSBM analysts generate a **BD 307**, which is the official certification report and reflects the budget as enacted by the General Assembly.

Universities should review S.L. 2022-74 and the Joint Conference Committee Report on the Current Operations Appropriations Act of 2022 (the Committee Report). **The Committee Report is the primary document used to certify the budget**. Each university is listed with their starting appropriation (enacted budget), a summary of their budget/FTE adjustments (total legislative changes), and a summary of their net appropriation (revised budget). The certification amount for a university will equal the total amount of appropriations, allocations, and cash balance transfers contained in the enacted bill. If additional technical corrections are made to the 2022 Appropriations Act, universities will work with OSBM analysts to make any necessary adjustments to properly certify updates to the budget.

Step by Step Guide for Budget Certification:

1) **IBIS.** Universities and OSBM will use IBIS to certify the 2022-23 budget. The direct link to the IBIS system is http://ibis.nc.gov/ibis-webapp/IBIS.html. If you have system access issues, email the IBIS Help Desk at NCIBIS-Help@osbm.nc.gov.

2) **IBIS User Guide - Certification.** For detailed instructions on how to use IBIS certification forms, see the Operating Certification user guide: https://www.osbm.nc.gov/media/731/download

3) **Enacted Legislation**. Work with your OSBM analyst to review the enacted bill and the Committee Report to ensure the university is correctly balancing appropriation and allocation totals and that items are certified in the correct Budget Code and Fund Code. If additional technical corrections are made to the 2022 Appropriations Act, universities should work with OSBM analysts to make any needed adjustments to certify updates to the budget.

4) **Certification Forms.** Universities create new certification forms for expansion, reduction, and technical items. Universities with complex certification entries should prepare a spreadsheet summarizing certification entries for OSBM review prior to creating certification forms in IBIS.

5) **Certifying Allocations and Cash Balance Transfers.** The enacted bill may appropriate funds to a university to be allocated to other state and non-state entities. In these cases, the appropriation and subsequent allocations are certified. The certification entry for a university receiving state appropriation should include the transfers out to any other entities receiving the allocations in the university's expenditure accounts.
   - A university receiving an allocation must also submit a certification entry certifying this allocation in its receipt accounts. This same principal applies to cash balance transfers as well—a university must certify the transfer out of the cash balance in its expenditure accounts and the receiving entity must certify the transfer in of these funds in its receipt accounts.

6) **Reserves.** With limited exceptions, such as reserves for salaries and benefits (see Step 8), universities should avoid certifying funds to reserves. Rather, universities should develop a plan for distributing those funds prior to certification. Correctly certifying those funds at the beginning of the fiscal year will reduce revision transactions later in the fiscal year.

7) **Basic Information Tab**. Fill out the Basic Information tab of the certification form, including Biennium, Fiscal Year, Session Law, Department/University, BRU, Budget Code, Committee Report Item Title, Budget Adjustment Type, and whether the item is recurring or non-recurring.
   - **If an item has both recurring and non-recurring adjustments, prepare a separate certification entry for each**.
   - For the Committee Report Item Title, enter the short title of the enacted bill item followed by 'R' for recurring or 'NR' for non-recurring. (Examples: Compensation Increase Reserve – R; Building Reserve – NR).
   - For the Committee Report Item Number, enter the university's section letter and item number [Section Letter–Item Number] followed by a 'R' for recurring or a 'NR' for non-recurring. (Example for funds provided to the Secretary of State for Information Technology Rates: F-100 R).

8) **Statewide Reserves.** Information on Statewide Reserves and funds appropriated into reserves for Salaries and Benefits can be found in Section 2.2 and Part 39 of S.L. 2022-74, respectively.

   Universities should work with OSC to create state aid accounts within the 432XXX grants account group as needed for items appropriated to the university from a statewide reserve, such as the Local Projects Reserve.

   Where applicable, Universities should certify their salary and benefit adjustments within the **appropriate reserve account** listed below.

Statewide NCAS Expenditure Accounts:

- **537202 Reserve** – Compensation Bonus
- **537204 Reserve** – Legislative Increase Compensation Reserve (Regular LI and other recurring salary adjustments)
- **537206 Reserve** – State Retirement System Contributions (For state retirement contributions - refer to amounts in the Committee Report)
- **537208 Reserve** – State Health Plan (No changes this year)
- **537209 Reserve** – Labor Market Adjustment Reserve (new – for Labor Market Adjustment amounts in Committee Report)

Statewide NCAS Transfer In Accounts:

- **432910 –** State Aid - Retiree Supplement Reserve

Funds received into 432910 should be budgeted as expenditures from the 537206 Reserve.

OSBM will provide a separate memorandum and job aid with instructions on the salary and benefit reserves distribution. Funds remaining following the distribution of the salary and benefit reserves will be moved to statewide budget code 19004 for redistribution to other agencies and/or the Pay Plan Reserve.

9) **Position Tab**. Enter new and abolished positions on the Positions Tab of the certification form. The HR/Payroll System assigns position numbers for new positions when the university initiates a workflow action (PCR). Budget personnel should coordinate with their university HR personnel to ensure new positions and abolished positions are established or eliminated in both the IBIS and HR/Payroll systems. If your HR department will not be able to provide position numbers in time to complete certification, consult your OSBM analyst for further instructions.

Agency budget and HR personnel should coordinate when establishing new positions to ensure their Beacon entries match their respective certification entries. Specifically, note that position number, position name, effective date (7/1/2022 in most cases), and annual salary need to match.

Use the **FY 2021-22 retirement and health plan rates**, provided below, when establishing new position. Agencies will use FY 2022-23 Reserves for Benefits to increase contributions for all positions, including new positions, to FY 2022-23 contribution rates. Contribution increases will be done via budget revision following certification.

Per S.L. 2021-180 and S.L. 2022-74, the retirement rates for FY 2021-22 and FY 2022-23 are:

Retirement Rates					
	TSERS	LEO	ORP	CJRS	LRS
FY 2021-22 Total Contribution Rate (use FY 2021-22 for new positions)	22.89%	27.89%	13.22%	46.31%	34.72%

Revised FY 2022-23 Total Contribution Rate (S.L. 2022-74)	24.50%	29.50%	13.83%	46.84%	31.80%

The State Health Plan amount is unchanged in S.L. 2022-74 and remains:

State Health Plan		
FY 2021-22 *(use this for new positions)*		**FY 2022-23**
Active	$7,019	$7,397
Retirees	$4,856	$5,118

10) **New Account/Cost Center Validation**. Universities should work with your OSBM analyst to identify any new accounts required for certification. OSBM will need to establish the new accounts for you in IBIS and work with OSC to ensure any new reserve accounts are established and validated in the state accounting system prior to release of the new certified budget.

11) **BD 307 Reports**. Once data has been entered on certification forms in IBIS, a BD 307 can be generated: IBIS>Reports>Self Service Reports>Certification Reports>

- There are two BD 307 report options: BD 307 Original Report and BD 307 Revised Report. **For short session budget certification, run the BD 307 Revised Report**.
- Universities can run a BD 307 to include forms in **draft** status (at university), **OSBM** status (meaning any forms residing at OSBM), or in an **approved** status. This allows universities to create and review a BD 307 before all certification entries have been approved.
- Universities can also run a BD307 showing all detail level accounts and cost centers by using the cost center prompts when creating a BD 307. Reviewing this detailed-level report helps ensure that items are certified to the correct accounts and cost centers. Work with your OSBM analyst to correct any identified negative accounts.

12) **OSBM Notification.** Universities should notify their OSBM analyst when all their certification entries have been submitted and are ready for review and approval. OSBM will then review, verify, and approve certification entries in IBIS.

13) **IBIS/NCAS Interface and Suspended Batch Master**. *With exception of NC School of Science and Math*, universities will not have an NCAS file generated. Universities will interface their budgets with NCAS directly and are not subject to the Suspended Batch Master process for other agencies. This interface should include the certified budget **and** repeat revisions from FY22 (i.e. recurring revisions approved *after* the base budget was finalized). This may include *repeat type 14's* that campuses need to re-approve. All repeat revisions (type 11/12/14) should be interfaced with a 7/1/2022 effective date **and** approval date.

14) **IBIS/NCFS Interface.** When the OSBM technical staff produce files to upload to NCFS, the NCFS file will contain summary appropriation information. University staff will need to verify that the summary appropriation information posted correctly the following day. NCFS updates overnight.

- Use the NCFS General Fund Cash Balance Fund report to verify that the appropriation amounts are correct: NCFS>Tools>Reports and Analytics>Create Report>Catalog (in top right corner)>Shared Folders>Custom>FBR Custom>Cash Management & Treasury>FBR General Fund Cash Balance Report>Open. Select Jul 22 as reporting period and verify that the "Adjusted Appropriation" balances are correct.
- If you find incorrect information, contact your OSBM analyst to discuss the best option for fixing the problem.

15) **BD 701 Report.** Once you have been notified by your OSBM analyst, run an RK 325 to ensure the certified and authorized amounts match the BD 701. This step guarantees that the correct budget was loaded into NCAS and matches the official budget contained in IBIS. It will also give you a point in time snapshot of the budget before new budget revisions are approved and load into NCAS.

16) **Official Certification Copy**. The budget is only considered certified once it carries the signature of the State Budget Director on a signed BD 307. Your OSBM analyst will send an electronic copy to the university.

17) **Repeat Revisions**. Your budgets will already contain repeat revisions. Work with your OSBM Execution analyst during the certification process to ensure repeat revisions are correct.

18) **FY 2022-23 Budget Revisions.** Once a university's certification process is complete, OSBM will begin approving budget revisions in IBIS.

University Certification Checklist

☐   1. Review S.L. 2022-74, the Conference Report, and any technical corrections for your university's appropriations and allocations.

☐   2. Create certification entries for any appropriations, allocations, and cash balance transfers.

☐   3. Work with your OSBM analyst to ensure any new accounts needed have been created and validated.

☐   4. Review accounts in draft BD307 to identify any negative accounts and work with OSBM Budget Development Analyst to resolve.

☐   5. Work with your OSBM Budget Execution Analyst to ensure repeat revisions (recurring Type 11, 12 and 14s) are correct and loaded into IBIS.

☐   6. Notify OSBM that you are ready to certify.

☐   7. After OSBM approval, interface your universities' certification entries directly into NCAS.

☐   8. Review the RK 325 the day after OSBM notification of release to ensure that the certified and authorized amounts match the BD 701.

☐   9. Review the FBR General Fund Cash Balance Report in NCFS the day after OSBM notification of release to ensure that the NCFS summary-level appropriation amounts match the BD307.